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July 6, 2021

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk / Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

Re: Application of Blue Granite Water Company for Approval to Adjust Its  
Rate Schedules and Increase Rates

Docket No. 2019-290-WS

Reply to Consumer Advocate Regarding Motion to Lift Stay

Dear Ms. Boyd:

I am filing this letter on behalf of Blue Granite Water Company (the “Company”) in reply to the Consumer Advocate’s response to the Company’s Motion to Lift the Stay on the Implementation of Rates Under Bond. In the response, the Consumer Advocate requests that the Commission consider three matters: (1) whether any recordkeeping is needed to account for the impacts of the S.C. Supreme Court’s opinion resulting from the Company’s appeal; (2) whether the Company can expeditiously reverse the implementation of Rates Under Bond and how the rate change would be implemented; and (3) whether notice of potential future rate changes would be required and how the Company might communicate those potential changes without creating additional costs for customers.

First, the Company affirms that it intends to keep account of the impacts of the S.C. Supreme Court’s anticipated ruling and will share such accounting as appropriate. Second, the Company affirms that it would expeditiously reverse the implementation of Rates Under Bond should the Court establish a rate lower than that recovered through the Rates Under Bond. S.C. Code Ann. § 58-5-240(D) provides that overages recovered through Rates Under Bond are subject to twelve percent interest, and that such interest accrues “until the date the refund is made.” For that reason, utilities have incentive to provide refunds as quickly as possible, and customers continue to be



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protected in the interim. Further, should refunds be due to customers, the Company clarifies that it would first apply refunds to customers' balances, and then any remaining credit balance for the customer account (including credits for stopped or closed accounts) would trigger the issuance of a refund check. This process is the most expedient and least costly way to provide refunds to customers, and is consistent with the Company's current practices. Third, the Company would provide customers with prior notice before implementing new rates and would propose to provide such notice through bill inserts or bill messages prior to implementing the rates. Providing notice via bill inserts or bill messages will minimize cost while providing prior notice of the rate change.

Finally, while the Consumer Advocate is concerned about accounting issues and customer confusion should the Court issue its opinion in the "next few months," the Company notes that the Court's opinion may require an additional hearing after remand. The Company also notes the Daufuskie Island Utility Company rate case filed in Docket No. 2014-346-WS, which continues to persist years later after two remands from the Court. As the Consumer Advocate has acknowledged, the COVID-19 State of Emergency has ended. Accordingly, the Commission should lift the stay and permit the Company to implement Rates Under Bond.

Kind regards,

Sam Wellborn

cc: Parties of Record (via email)  
Donald H. Denton, President (via email)  
Dante Destefano, Director, Regulatory Affairs (via email)  
Phil Drennan, Regional Director of FPHA (via email)